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Viewing cable 09CARACAS1352, VENEZUELA: IRAN'S PETROPARS FRUSTRATED IN CARACAS

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at theparagraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09CARACAS1352**.

Reference ID	Created	Released	Classification	Origin
09CARACAS1352	2009-10-20 17:38	2011-08-30 01:44	CONFIDENTIAL	Embassy Caracas

Appears in these articles:

<http://www.semana.com/mundo/wikileaks-venezuela-misterioso-vinculo-entre-caracas-teheran/158978-3.aspx>

VZCZCXR05089
RR RUEHBC RUEHDE RUEHDH RUEHDIR RUEHKUK RUEHTRO
DE RUEHCV #1352 2931738
ZNY CCCCC ZZH
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FM AMEMBASSY CARACAS
TO RUEHC/SECSTATE WASHDC 3857
INFO RUCNIRA/IRAN COLLECTIVE
RUEHHH/OPEC COLLECTIVE
RUEHWH/WESTERN HEMISPHERIC AFFAIRS DIPL POSTS
RUEHBK/AMEMBASSY BEIJING 0403
RHEHNSC/NSC WASHDC
RHEHAAA/WHITEHOUSE WASHDC
RHEBAAA/DEPT OF ENERGY
RUCPDOC/DEPT OF COMMERCE
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RUMIAAA/HQ USSOUTHCOM MIAMI FL

C O N F I D E N T I A L CARACAS 001352

SIPDIS

ENERGY FOR ALOCKWOOD AND LEINSTEIN, DOE/EIA FOR MCLINE
HQ SOUTHCOM ALSO FOR POLAD
TREASURY FOR MKACZMAREK
COMMERCE FOR 4332/MAC/WH/JLAO

NSC FOR DRESTREPO AND LROSSELLO

E.O. 12958: DECL: 10/19/2019

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SUBJECT: VENEZUELA: IRAN'S PETROPARS FRUSTRATED IN CARACAS

REF: CARACAS 1296

Classified By: Economic Counselor Darnall Steuart, for reasons
1.4 (b) and (d).

¶1. (C) SUMMARY: Iran's PetroPars is reportedly frustrated by its inability to move petroleum projects forward in Venezuela, especially the development of Ayacucho block 7 in the Faja heavy oil belt. END SUMMARY.

¶2. (C) XXXXXXXXXXXXXXX told Petroleum Attache (PetAtt) on October 15 that PetroPars is frustrated with the lack of progress in developing a petroleum joint venture (JV) in the Ayacucho block 7 of the Faja heavy oil belt. (NOTE: In March 2008, PDVSA announced the results from a PDVSA-PetroPars certification and quantification program in Ayacucho 7, estimating 31.2 billion barrels of oil in place with reserves of 6.24 billion barrels. END NOTE.) According to conversations XXXXXXXXXXXXXXX had with PetroPars' GM, the Iranian oil company is operating with minimal staff. PetroPars' GM told XXXXXXXXXXXXXXX that he had repatriated to Iran his entire technical staff (nine in total) due to a lack of activity in Venezuela. Additionally, the GM himself now spends three out of four weeks in Iran, residing at most, one week per month in Caracas. PetroPars maintains three Venezuelan permanent staff in Caracas) an attorney, a receptionist, and an office maid.

¶3. (C) Oil sector consultant XXXXXXXXXXXXXXX, told PetAtt on October 18 that Iran's PetroPars petroleum company &has no future in Venezuela.⁸ Dagher claimed that PDVSA asked PetroPars to contribute \$220 million for a refinery project (NFI), but that PetroPars could not raise that amount. Consequently, he said, PDVSA is not moving forward with PetroPars to develop Ayacucho 7.

¶4. (C) According to the media, during President Chavez's August 2009 visit to Tehran, the GOI and the GBRV signed two complementary memoranda of understanding that appear to constitute an even swap. The MOUs called for (1) Iran to provide \$760 million in energy investment in Venezuela to develop the mature oil field Dobukubi and Ayacucho 7 block and (2) Venezuela to provide \$760 million to finance 10 per cent of phase two of the Iranian South Pars field project. A well-connected petroleum industry expert believes that \$760 million might be sufficient to develop Dobukubi, but is not enough for Ayacucho 7. XXXXXXXXXXXXXXX commented that Dobukubi "is a jewel" and that China's Sinopec oil company has been trying to negotiate a deal to develop it.

¶5. (C) COMMENT: Iran might have expected that the relationship between President Chavez and President Ahmadinejad would produce tangible economic benefits in the exploration and production of crude oil. Apparently, shutdown of Ayacucho 7 due to its inability to contribute \$220 million to a refinery project and with a \$760 million price tag to move forward in Dobukubi, it appears to be unlikely that PetroPars will undertake any significant new activity in Venezuela. END COMMENT.

DUDDY